

# Financial Aid News

## WASHINGTON HIGHER EDUCATION COORDINATING BOARD

*April 25, 2002*

### Welcome!

Here is the inaugural issue of the *Financial Aid News*, the Washington Higher Education Coordinating Board's electronic newsletter for financial aid administrators.

We have designed the *News* to help keep the aid community informed about a variety of financial aid topics. You will find briefings about state financial aid programs, progress reports on Board financial aid initiatives and work groups, updates on the activities of the Washington Legislature, and items of interest from local and national news sources.

The *News* will not replace the Higher Education Coordinating Board's official communications about state financial aid programs. It will, however, alert aid directors to recent Board guidance and provide Internet links to program memoranda and other helpful items.

During legislative sessions, we plan to publish the *News* weekly. When the Legislature is not in session, we will publish every two weeks or as needed.

Some aspects of the *News* are still under development. You will notice its evolution in future issues. In the taupe-colored box to the left, for instance, we will post a list of electronic links to online resources for administering Washington student financial aid programs.

We hope you will share items in the *News* with other interested colleagues. Keep in mind, however, that copyright laws prohibit you, the reader, from redistributing Web-based items from outside news sources.

We currently have permissions to provide Web links to news articles from a variety of media sources: *The Chronicle of Higher Education*, *The New York Times*, *The Seattle Times*, *The News Tribune*, *The Olympian*, and *Time* magazine. We'll likely



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add more in the coming weeks. In some cases, we will summarize articles that are not available for redistribution.

In the case of the *Chronicle*, we are working on a subscription to allow *News* readers direct access to articles. Until we have such an agreement, our Web links to those articles will be available only to readers with a password-protected subscription to the *Chronicle* online.

Although financial aid directors are the primary audience for this newsletter, we will also send it to institutional administrators with financial aid oversight, legislative staff, and a handful of other interested parties in state government and at education associations. We have been able to include administrators with financial aid oversight for about half of the institutions. If, as an aid director, you have not responded to our earlier effort to include your supervisor and would like us to add him or her to the distribution list, please send that person's name, title and email address to Clea Peterson at [cleap@hecb.wa.gov](mailto:cleap@hecb.wa.gov), or call Clea at (360) 753-7858. At this time, our permissions from outside news organizations do not allow distribution to others.

One more thing about Web links in the *News*: many of the links to articles from outside news organizations will have a limited life on the Web (some as little as a few days). We suggest you print any article you want to keep.

We hope you find the *Financial Aid News* useful. If you have questions or comments about what you see here, you can email us at [HECBFinancialAid@hecb.wa.gov](mailto:HECBFinancialAid@hecb.wa.gov).

### **State Need Grant prepares for 2002-03, begins closeout for 2001-02** ***Interim report due May 3***

The next State Need Grant (SNG) interim report is due May 3, 2002. Board staff will use data from the interim reports to determine award levels for 2002-03. Staff expects to release new award levels by mid-May. For questions about the interim reports, contact John Klacik at (360) 753-7851, [johnk@hecb.wa.gov](mailto:johnk@hecb.wa.gov), or Chris Leeper at (360) 753-7840, [chrisl@hecb.wa.gov](mailto:chrisl@hecb.wa.gov).

### ***Transfer fund closed***

The Board has closed the fund for paying SNG transfer students for the 2001-2002 academic year. Aid administrators who have SNG transfer students that need to be paid should notify SNG program staff. The Board will honor requests as institutions de-obligate (or release) funds that they had previously committed to spending. If you have questions about the SNG transfer fund, contact Chris Leeper.

### **Final reminder about HECB annual financial aid workshops**

The Board will offer its annual daylong workshops at five separate locations to provide program updates and basic training on the state's financial aid programs.

We've added a location this year to reduce the amount of travel required by institutions to attend one of these sessions. The workshops are from 9 a.m. to 4 p.m. at the following locations:

Centralia Community College	Tuesday, May 14
Everett Community College	Wednesday, May 15
South Seattle Community College	Thursday, May 16
Yakima Valley Community College	Monday, May 20
Spokane Falls Community College	Tuesday, May 21

For further information, contact Colleen Scovill at (360) 753-7850 or by email at [colleens@hecb.wa.gov](mailto:colleens@hecb.wa.gov).

### **State aid budget provides more pass-through funds for students**

#### ***Legislature increases Need Grant and Work Study, reduces funds for Washington Promise and program administration***

Faced with a monumental state financial crisis, legislators passed a 2002-03 supplemental budget with significant cuts across state government. Nevertheless, they increased the 2002-03 funding available for financial aid awards to students to help offset significant tuition increases.

In the State Need Grant program, lawmakers added \$2.2 million to an already planned \$12.1 million increase for 2002-03. The budget raises the Need Grant appropriation 15.8 percent over the 2001-02 level to a total of \$104.9 million. Lawmakers also preserved a planned \$1 million increase for State Work Study, raising its 2002-03 appropriation by 6.1 percent to \$17.4 million.

Increases in state aid funding were not across the board. Legislators established the Washington Promise Scholarship in statute, but reduced funds for the program to \$6.3 million, down from its 2001-02 appropriation of \$8.25 million. And they reduced funds for the Board's administration of state financial aid programs by nearly 8 percent below the 2001-02 level.

### **State student aid spending has surged across the nation**

Increased state aid spending in Washington is part of a nationwide trend. A new report by the National Association of State Student Grant and Aid Programs (NASSGAP) reveals that state funding for student aid across the nation has increased by 59.6 percent over the past five years. In 2000-01 alone, state spending on scholarships and grants rose by 14.5 percent, to \$4.68 billion. Preliminary estimates for 2001-02 show a near 10.1 percent increase to about \$5.15 billion.

*The Chronicle of Higher Education* summarized the study's findings in an article available online to subscribers: [State spending on student aid has surged in recent years, study finds](#). You can get a copy of the NASSGAP report by sending a check for \$20 to the association in care of: New York Higher Education Services Corporation, 99 Washington Avenue, Room 1320, Albany, NY, 12255.

## **Bush proposal may breathe new life into AmeriCorps**

*House and Senate find few faults overall, but offer pointed criticism on a work study set-aside provision*

On April 9, President Bush unveiled his plan to expand AmeriCorps and other national service programs, raising participants from the current level of 50,000 to 75,000 and increasing funding by 56.4 percent to \$638 million. The proposal would allow the education award to keep pace with rising costs and allow volunteers more flexibility for using those funds. It would also require colleges to allot 50 percent of federal work study positions to community service placements, phased in over time. This would significantly raise the service placement requirement above the current level of 7 percent.

Authorized during Bill Clinton's first term, AmeriCorps has often been the subject of congressional criticism and a regular Republican target for elimination. According to two articles in *The Chronicle of Higher Education*, the president's proposal received warm bipartisan receptions in House and Senate committee hearings.

Senator Edward Kennedy (D-MA), though generally supportive of the president's plan, offered one of few criticisms. Mr. Kennedy said the provision requiring a 50 percent community service placement rate for federal work study would encourage only low-income students to do community service work and do nothing to encourage students from wealthier families to volunteer. He also said he worried that colleges, especially smaller ones, would not have the resources to develop enough high-quality service placements.

The articles are available online to *Chronicle* subscribers: [As Bush adds details to his AmeriCorps-expansion proposal, Senators find few faults](#) and [Onetime critics of AmeriCorps praise president's plan to expand it](#).

## **Students applying to more colleges, broadening their options**

If it seems like you're seeing more financial aid applications than in previous years, you probably are. Sensing stiffer competition and uncertain economic times, this year's seniors are applying to more colleges than students did in the past.

"Students are pushing the envelope, applying to more institutions, and trying to anticipate having more options," Joyce Smith, executive director of the National Association for College Admission Counseling, told *The Boston Globe*. "And colleges are pushing the envelope in terms of their competitiveness and wanting students of high ability and students with the ability to pay."

The April 15 *Boston Globe* article, "High school seniors widen their range in applying to college," is not available for redistribution. You can visit *The Boston Globe* online at [www.boston.com/globe/](http://www.boston.com/globe/).

### **Internet offers a bounty of resources for scholarship searches**

With more than 700,000 scholarships available from more than 25,000 providers annually, early and careful planning is crucial for tapping into these resources. *The New York Times* reports that more students and families are turning to the Internet — successfully — to find potential scholarships for which they might be eligible. With rising college costs and a tanking national economy, Web sites specializing in scholarship searches have proliferated in recent years. Many are free for users. The article is available online: [For resourceful students, the Internet is a key to scholarships](#).

### **A scholarship for the average Joe and Jill**

The Common Knowledge Scholarship Foundation wants to buck the trend of jocks and brains winning all the scholarship money by giving awards to average and even below-average college-bound students, *The Chronicle of Higher Education* reports. "Many of our best leaders were not people who got straight A's, but people who had a well-rounded knowledge of the world," said Daryl Hulce, chairman of the foundation.

The foundation is preparing to award its second annual \$10,000 national prize this month. Students qualify for consideration by logging into the Web site <http://www.cksf.org> and answering 15 to 25 questions like, "Which holiday is generally associated with eating turkey?" and "On which part of the face would you apply mascara?"

The article is available online to *Chronicle* subscribers: [Rewarding mediocrity?](#)

That's all for this edition. See you next time, online.